

# Notice of Annual General Meeting 2008 and Explanation of Business

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from a stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or otherwise transferred all your shares in Prudential plc, please forward this document, together with the form(s) of proxy as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through or to whom the sales or transfer was effected for transmission to the purchaser or transferee.



**PRUDENTIAL**



SIR DAVID CLEMENTI  
CHAIRMAN



**PRUDENTIAL**

PRUDENTIAL PLC  
12 ARTHUR STREET  
LONDON EC4R 9AQ

11 April 2008

Dear Shareholder

**Annual General Meeting of Prudential plc (the Company or Prudential)**

This year's Annual General Meeting (the Meeting) is to be held in The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on 15 May 2008 at 11.00am and the formal notice of the meeting (Notice) is set out at the end of this document on pages 5 and 6.

If you would like to vote on the resolutions in the Notice but cannot come to the Meeting, please fill in the Form of Proxy sent to you with the Notice and return it to Equiniti Limited (our registrars) as soon as possible. They must receive it by 11.00am on 13 May 2008.

I thought it might be helpful for me to say a few words below on each of the resolutions to be proposed at the Meeting.

**Ordinary resolution 1: Annual Report 2007**

The business of the Meeting will begin with a resolution to lay before members the Annual Report in respect of the year ended 31 December 2007. Shareholders will have the opportunity to put questions on the Annual Report to the directors before the resolution is proposed to the Meeting.

At the 2007 Annual General Meeting, a resolution was passed which allows the Company to communicate with shareholders by means of its website. No action was required by shareholders unless shareholders wished to continue to receive copies of the Annual Report and other circulars by post. As explained in the documentation sent to you last year (or in your welcome letter if you are a new shareholder) you will only receive a hard copy of the Annual Report if you specifically request a hard copy. If you have not made such a request, you will not receive a copy of the Annual Report in this mailing. You may however view the Annual Report on the Company's website by entering the following address into your internet browser: <http://www.prudential.co.uk/prudential-plc/investors/financial-reports/2007/> and clicking on the link 'Prudential plc Annual Report 2007'. Alternatively, copies of the Annual Report may also be obtained on request, free of charge, from our registrars by calling 0871 384 2035 quoting your shareholder reference number which can be found on your Form of Proxy.

**Ordinary resolution 2: Directors' Remuneration Report**

Shareholders will again have the opportunity to cast an advisory vote on the Directors' Remuneration Report for the year ended 31 December 2007.

The Report is set out in full in the Annual Report 2007.

**Ordinary resolutions 3 to 6: Re-election of directors**

Under Prudential's current Articles of Association, all directors must retire as directors at least every three years, and therefore Keki Dadiseth and James Ross will stand for re-election. The current Articles of Association also state that at every Annual General Meeting at least one-third of the current directors must retire by rotation, and therefore Kathleen O'Donovan and Lord Turnbull will also stand for re-election. Brief biographical details of all directors standing for re-election are included in Appendix 1 to this document and in the Annual Report 2007.

As required under the provisions of the Combined Code on Corporate Governance relating to the re-election of non-executive directors, the Board unanimously recommends the re-election of Keki Dadiseth, Kathleen O'Donovan, James Ross, and Lord Turnbull, and the Board confirms that it considers them to be independent in character and judgement. I also confirm that following evaluation of the Board's performance, Keki Dadiseth, Kathleen O'Donovan, James Ross, and Lord Turnbull all continue to make a significant and effective contribution to the work of the Board and demonstrate commitment to their role as non-executive directors.

**Ordinary resolution 7: Election of Sir Winfried Bischoff as a non-executive director**

Shareholders will be asked to elect Sir Winfried Bischoff as a non-executive director following the Board's approval of his appointment to the Board on 2 August 2007. Brief biographical details are included in Appendix 1 to this document and in the Annual Report 2007.

**Ordinary resolution 8: Election of Ann Godbehere as a non-executive director**

Shareholders will be asked to elect Ann Godbehere as a non-executive director following the Board's approval of her appointment to the Board on 2 August 2007. Brief biographical details are included in Appendix 1 to this document and in the Annual Report 2007.

**Ordinary resolution 9: Election of Tidjane Thiam as an executive director**

Shareholders will be asked to elect Tidjane Thiam as an executive director following the Board's approval of his appointment to the Board on 25 March 2008. Brief biographical details are included in Appendix 1 to this document and in the Annual Report 2007.

**Ordinary resolutions 10 and 11: Re-appointment of auditor**

Shareholders will be asked to confirm the re-appointment of KPMG Audit Plc as the Company's auditor to hold office until the conclusion of the next Annual General Meeting and to grant authority to the directors to determine its remuneration.

**Ordinary resolution 12: Declaration of final dividend for 2007**

Shareholders will be asked to approve the payment of a final dividend of 12.3 pence per ordinary share in respect of the year ended 31 December 2007, as recommended by the directors. The dividend will be payable on 20 May 2008 to shareholders on the register of members at the close of business on the record date, 11 April 2008.

**Ordinary resolution 13: Remuneration arrangements for the Chief Executive of M&G**

Following a review of the remuneration arrangements for the Chief Executive of M&G, shareholders will be asked to approve proposed new remuneration arrangements including the establishment of a new long-term incentive plan (the M&G Executive Long-Term Incentive Plan) in which he will participate, and to authorise the directors to implement the new M&G Executive Long-Term Incentive Plan. A letter from the Chairman of the Remuneration Committee is set out in Appendix 2, which explains the proposed new remuneration arrangements and the M&G Executive Long-Term Incentive Plan.

**Ordinary resolution 14: Renewal of authority to allot ordinary shares**

At last year's Annual General Meeting, shareholders passed a resolution giving the directors authority to allot ordinary shares in the Company. That power will expire at the conclusion of this year's Meeting. Accordingly, the Notice includes a resolution to renew this authority.

It is proposed to authorise the directors to allot ordinary shares up to a maximum nominal value of £41,150,000 (representing approximately 823 million ordinary shares in the Company), which is approximately 33.33 per cent of the issued ordinary share capital of the Company at 19 March 2008. The directors have no immediate plans to make use of this authority, with the exception of issues of further ordinary shares in accordance with the Company's obligations under its various executive and employee share plans and its scrip dividend scheme. This renewed authority, which complies with institutional investment committee guidelines, will replace the existing authority in respect of ordinary shares and will expire at the conclusion of next year's Annual General Meeting.

**Special resolution 15: Renewal of authority for disapplication of pre-emption rights**

At last year's Annual General Meeting, shareholders passed a special resolution giving the directors authority to allot equity securities for cash without first being required to offer such securities to existing shareholders in proportion to their existing holding, by the limited disapplication of Section 89 of the Companies Act 1985. That power will expire at the conclusion of this year's Meeting. Accordingly, the Notice includes a resolution to renew this authority.

This authority only extends (apart from rights issues) to the issue of ordinary shares, including the sale of any ordinary shares held in treasury in accordance with the provisions of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003. As at 19 March 2008, the Company held no treasury shares.

The authority is sought for a maximum nominal value of £6.175 million (representing approximately 123.5 million ordinary shares in the Company), which is approximately five per cent of the total issued ordinary share capital of the Company at 19 March 2008. As regards rights issues, the directors believe the mechanics and delay of the procedure under Section 89 is unduly restrictive and are therefore also seeking continuation of its disapplication in these circumstances. The directors have no immediate plans to make use of this authority, with the exception of issues of further ordinary shares in accordance with the Company's obligations under its various executive and employee share plans and its scrip dividend scheme. This renewed authority, which complies with institutional investment committee guidelines, will expire at the conclusion of next year's Annual General Meeting.

**Special resolution 16: Renewal of authority for purchase of own shares**

The directors consider that there may be circumstances in which it would be desirable for the Company to purchase its own shares in the market. Although the directors have no immediate plans to make such purchases, they would like to be able to act if circumstances arose in which they considered such purchases to be desirable. Purchases would only be made if their effect would be to increase earnings per share and they would be for the benefit of shareholders generally.

Accordingly, this resolution is proposed to authorise the Company to make market purchases of its ordinary shares up to a maximum of 247 million ordinary shares (representing approximately 10 per cent of the Company's issued share capital at 19 March 2008) at prices not exceeding 105 per cent of the average middle market quotations as derived from the Daily Official List of the London Stock Exchange for the shares for the five business days before the purchase is made. Following the introduction of The Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003, companies are now permitted to retain any of their own shares which they have purchased as treasury shares with a view to possible re-issue at a future date, rather than cancelling them as had previously been required by legislation. If the Company were to purchase any of its own ordinary shares, it would consider holding them as treasury shares, pursuant to the authority conferred by this resolution. This would enable the Company to re-issue treasury shares quickly and cost-effectively and would provide the Company with additional flexibility in the management of its capital base. The directors have no immediate plans to exercise this authority, which will expire at the conclusion of next year's Annual General Meeting.

### **Special resolution 17: Amendments to Articles of Association – Companies Act 2006**

We are also asking shareholders to approve a number of amendments to the Company's current Articles of Association (the Current Articles) primarily to take account of changes in English company law brought about by the Companies Act 2006. An explanation of the main differences between the Current Articles and the proposed Articles of Association is set out in Appendix 3. Other differences, which are of a minor, technical or clarifying nature, have not been noted in Appendix 3.

### **Special resolution 18: Amendments to Articles of Association – directors' qualification shares**

We are also asking shareholders to approve an amendment to the directors' share qualification as set out in the Company's Articles of Association. We are proposing that directors be required to acquire their 2,500 qualification shares in the Company within one year of their appointment rather than the two months specified in the existing Articles of Association.

A copy of the proposed Articles showing all the differences between the Current Articles and the changes proposed by resolutions 17 and 18 is available for inspection, as noted on page 8 of this document, and is available on the Company's website <http://www.prudential.co.uk/prudential-plc/investors/agminfo/2008/>.

### **Recommendation**

The directors consider that all the resolutions to be put to the Meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all proposed resolutions, as the directors intend to do in respect of their own beneficial holdings.

### **Action to be taken**

#### ***Appointment of a proxy***

If you are unable to attend and vote at the Meeting, you are entitled to appoint one or more proxies to attend and vote on your behalf. There are three methods of appointing a proxy:

- a) by completing, signing and returning the enclosed Form of Proxy in the envelope provided;
- b) By logging onto [www.sharevote.co.uk](http://www.sharevote.co.uk); or if you have a portfolio registered with our registrars by logging onto [www.shareview.co.uk](http://www.shareview.co.uk); or
- c) if you are a member of CREST, by using the CREST electronic proxy appointment service.

Please read the notes to the enclosed Form of Proxy which give further details about these different methods and the deadlines by which your appointment of a proxy must reach our registrar. Completion of a Form of Proxy, or the appointment of a proxy electronically, will not stop you from attending the Meeting and voting in person should you so wish.

### **Notice of the meeting**

The Notice is set out on pages 5 and 6.

Yours sincerely



Sir David Clementi  
Chairman

# Notice of Annual General Meeting 2008



Prudential plc (the Company), incorporated and registered in England and Wales (registered number 1397169).

Notice is hereby given that the Annual General Meeting of the Company will be held in the Churchill Auditorium at The Queen Elizabeth II Conference Centre, Broad Sanctuary, Westminster, London SW1P 3EE on Thursday 15 May 2008 at 11.00am for the transaction of the following business:

## Ordinary business

As ordinary business to consider and, if thought fit, to pass the following resolutions as ordinary resolutions:

- 1 To receive and consider the Directors' Report and the Financial Statements for the year ended 31 December 2007 with the Auditor's Report thereon.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2007.
- 3 To re-elect as a director Mr K B Dadiseth.
- 4 To re-elect as a director Ms K A O'Donovan.
- 5 To re-elect as a director Mr J H Ross.
- 6 To re-elect as a director Lord Turnbull.
- 7 To elect as a director Sir W F W Bischoff.
- 8 To elect as a director Ms A F Godbehere.
- 9 To elect as a director Mr T C Thiam.
- 10 To re-appoint KPMG Audit Plc as auditor until the conclusion of the next general meeting at which the Company's accounts are laid.
- 11 To authorise the directors to determine the amount of the auditor's remuneration.
- 12 To declare a final dividend of 12.3 pence per ordinary share of the Company for the year ended 31 December 2007, which shall be payable on 20 May 2008 to shareholders who are on the register of members at the close of business on 11 April 2008.

## Special business

As special business to consider and, if thought fit, to pass the following resolutions (resolutions 13 and 14 are being proposed as ordinary resolutions and resolutions 15 to 18 as special resolutions):

## Ordinary resolutions

### 13 Remuneration arrangements for the Chief Executive of M&G

THAT the proposed new remuneration arrangements for the Chief Executive of M&G including a new long-term incentive plan (the M&G Executive Long-Term Incentive Plan) the principal terms of which are summarised in Appendix 2 to this Notice and the rules of which are produced to the Meeting and initialled by the Chairman for the purposes of identification, and the Chief Executive of M&G's proposed participation in the M&G Executive Long-Term Incentive Plan, which is summarised in Appendix 2 to this Notice, be and are hereby approved and that the directors be authorised to do all acts and things which they may consider necessary or expedient to implement the arrangements and to carry the M&G Executive Long-Term Incentive Plan into effect including the making of any amendments to the rules as they may consider necessary or desirable.

### 14 Renewal of authority to allot ordinary shares

THAT, without prejudice to any other authority conferred on the directors by or pursuant to Article 12 of the Company's Articles of Association, the authority conferred on the directors by Article 12 of the Company's Articles of Association to allot generally and unconditionally relevant securities (as defined in Section 80 of the Companies Act 1985) be renewed for a period expiring at the end of the next Annual General Meeting and for that period the Section 80 amount in respect of the Company's ordinary shares shall be £41,150,000.

## Special resolutions

### 15 Renewal of authority for disapplication of pre-emption rights

THAT the directors be and are hereby authorised to allot equity securities (within the meaning of Section 94 of the Companies Act 1985) for cash pursuant to the power conferred on the directors by Article 13 of the Company's Articles of Association and for this purpose allotment of equity securities shall include a sale of relevant shares as provided in Section 94(3A) of that Act as if Section 89(1) of that Act did not apply to such allotment provided that (i) the maximum aggregate nominal amount of equity securities that may be allotted or sold pursuant to the authority under Article 13(b) is £6,175,000 and (ii) the authority conferred by this resolution shall expire at the end of the next Annual General Meeting of the Company after the date on which this resolution is passed.

Note: This resolution is conditional upon the passing of resolution 14.

#### **16 Renewal of authority for purchase of own shares**

THAT the Company be and is hereby generally and unconditionally authorised, pursuant to Article 58 of the Company's Articles of Association and in accordance with Section 166 of the Companies Act 1985 to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of ordinary shares of five pence each in the capital of the Company provided that:

- (i) the maximum aggregate number of ordinary shares hereby authorised to be purchased is 247 million;
- (ii) the maximum price (exclusive of expenses) which may be paid for each ordinary share is an amount equal to 105 per cent of the average of the middle market quotations for an ordinary share as derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the share is contracted to be purchased;
- (iii) the minimum price (exclusive of expenses) which may be paid for each ordinary share is five pence;
- (iv) further provided that this authority shall, unless renewed, varied or revoked prior to such time, expire at the end of the Annual General Meeting of the Company to be held in 2009 or 18 months from the date of this resolution (whichever is earlier), save that the Company may before such expiry make a contract or contracts to purchase ordinary shares under the authority hereby conferred which would or may be executed wholly or partly after the expiry of such authority and may make a purchase of ordinary shares in pursuance of any such contract or contracts as if the power conferred hereby had not expired; and
- (v) all ordinary shares purchased pursuant to said authority shall be either:
  - a) cancelled immediately upon completion of the purchase; or
  - b) be held, sold, transferred or otherwise dealt with as treasury shares in accordance with the provisions of the Companies Act 1985.

#### **17 Amendments to Articles of Association – Companies Act 2006**

THAT the Articles of Association produced to the meeting marked 'A' and initialled by the chairman of the meeting for the purpose of identification be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association of the Company.

#### **18 Amendments to Articles of Association – directors' qualification shares**

THAT the Articles of Association of the Company in respect of directors' qualification shares be amended by the deletion of the reference to 'two months' and be replaced with a reference to 'one year'.

Note: In the event that resolution 17 is passed, changes made by resolution 18 will affect Articles 110 and 125(h) of the Articles of Association adopted under resolution 17. In the event that resolution 17 is not passed, the changes will affect Articles 120 and 135(h) of the existing Articles of Association.

#### **Other business**

To transact any other business appropriate to be dealt with at an annual general meeting.

By order of the Board of directors,



#### **Peter Maynard**

Company Secretary  
Prudential plc  
Laurence Pountney Hill  
London  
EC4R 0HH

Registered in England and Wales No. 1397169

11 April 2008.

# Notes to Notice of Meeting

- 1 Members are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company.
  - 2 Members' attention is drawn to the Form of Proxy accompanying this Notice. A proxy may be appointed by any of the following methods:
    - Completing and returning the enclosed Form of Proxy;
    - Electronic proxy appointment by logging onto the Equiniti website [www.sharevote.co.uk](http://www.sharevote.co.uk). Shareholders will need their Reference Number, Card ID and Account Number, which are printed on the face of the accompanying Form of Proxy. Full details of the procedures are given on the website. Alternatively, if you have already registered with Equiniti's online portfolio service Shareview, you can submit your proxy by logging onto your portfolio at [www.shareview.co.uk](http://www.shareview.co.uk) and clicking on 'Company Meetings'. Instructions are given on the website; or
    - if you are a member of CREST, by using the CREST electronic appointment service.
- IMPORTANT: Whichever method you choose, your instructions or Form of Proxy must be received by the Company's registrars no later than 11.00am on 13 May 2008.
- 3 If you are a registered shareholder and do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact the Company's registrars, Equiniti on 0871 384 2035.
  - 4 To be valid any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at Equiniti Limited, Freepost SEA7371, Aspect House, Spencer Road, Lancing, West Sussex BN99 6TQ no later than 11.00am on Tuesday 13 May 2008.
  - 5 The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in paragraph 11 below) will not prevent a shareholder attending the Annual General Meeting and voting in person if he/she wishes to do so.
  - 6 Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a Nominated Person) may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Annual General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
  - 7 The statement of the rights of shareholders in relation to the appointment of proxies in paragraphs 1, 2, 3 and 4 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by registered shareholders of the Company.
  - 8 To be entitled to attend and vote at the Annual General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must either be registered in the Register of Members of the Company at 6.00pm on 13 May 2008 (or, in the event of any adjournment, 6.00pm on the date which is two days before the time of the adjourned meeting). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
  - 9 As at 19 March 2008 (being the last practicable business day prior to the publication of this Notice) the Company's issued share capital consists of 2,470,086,004 ordinary shares, carrying one vote each. Therefore, the total voting rights in the Company as at 19 March 2008 are 2,470,086,004. The issued share capital of the Company as at the date of the Meeting will be announced at the meeting. The Company does not hold any shares in treasury.
  - 10 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
  - 11 In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID 7RA01) by 11.00am on 13 May 2008. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

- 12 CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
- 13 The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
- 14 The Company will continue its practice of calling a poll on all resolutions at the Annual General Meeting. The voting results, which will include all votes cast for and against each resolution at the meeting, and all proxies lodged prior to the meeting, which will include votes cast for and against each resolution, will be announced at the meeting and published on the Company's website as soon as practicable after the meeting. The Company will also disclose the number of votes withheld at the meeting and on its website. This practice provides shareholders present with sufficient information regarding the level of support and opposition to each resolution, and ensures all votes cast either at the meeting or through proxies are included in the result. Shareholders will again be given the opportunity to put questions to the Board on matters relating to the Group's operation and performance.
- 15 In order to facilitate voting by multiple corporate representatives at the Annual General Meeting, arrangements will be put in place at the Annual General Meeting so that (i) if a corporate shareholder has appointed the chairman of the Annual General Meeting as its corporate representative with instructions to vote in accordance with the directions of all of the other corporate representatives for that shareholder at the Annual General Meeting, then those corporate representatives will give voting directions to the chairman and the chairman will vote (or withhold a vote) as corporate representative in

accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the Annual General Meeting but the corporate shareholder has not appointed the chairman of the Annual General Meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote and the other corporate representatives will give voting directions to that designated corporate representative. Letters of Representation should clearly state the rights of corporate representatives to attend, speak or vote at the Meeting as the case may be, as the Company will follow the wording in such letters and no corporate representatives will be permitted to vote unless the Letter of Representation specifies this entitlement. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives ([www.icsa.org.uk](http://www.icsa.org.uk)) for further details of this procedure. The guidance includes a sample form of representation letter if the chairman is being appointed as described in (i) above. In particular, the Company notes the recommendation of the Institute of Chartered Secretaries and Administrators that corporate shareholders intending to vote part(s) of their shareholdings in different ways appoint proxies rather than corporate representatives.

#### Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours at Laurence Pountney Hill, London EC4R 0HH, the Registered Office of the Company, on Mondays to Fridays (public holidays excepted) from the date of this Notice and at the place of the Annual General Meeting for 15 minutes prior to and during the Annual General Meeting until its conclusion:

- copies of the service contracts and details of other benefits between the Prudential Group and the executive directors;
- copies of the letters of appointment and details of other benefits between the Company and the non-executive directors;
- copy of the letter of appointment and details of other benefits between the Company and the Chairman;
- copy of the proposed Articles of Association of the Company, marked to show the changes being proposed in resolutions 17 and 18; and
- copy of the proposed rules of the M&G Executive Long-Term Incentive Plan.

# Appendix 1

## Biographies of directors standing for election and re-election

### **Keki Dadiseth FCA**

#### **Independent non-executive director and member of the Remuneration Committee**

Keki Dadiseth has been an independent non-executive director of Prudential since April 2005. During 2006, he was appointed as a non-executive director of ICICI Prudential Life Assurance Company Limited and ICICI Prudential Trust Limited. He is also a member of the Advisory Board of Marsh & McLennan Companies Inc. and an International Advisor to Goldman Sachs. In addition, Keki is a director of Nicholas Piramal Limited, Siemens Limited, Britannia Industries Limited and The Indian Hotels Company Limited, all quoted on the Bombay Stock Exchange. He is also a director of the Indian School of Business and acts as a trustee of a number of Indian charities. Before he retired from Unilever in 2005, Keki was Director, Home and Personal Care, responsible for the HPC business of Unilever worldwide, a Board member of Unilever PLC and Unilever N.V. and a member of Unilever's Executive Committee. He joined Hindustan Lever Ltd in India in 1973.

### **Kathleen O'Donovan ACA**

#### **Independent non-executive director and Chairman of the Audit Committee**

Kathleen O'Donovan has been an independent non-executive director of Prudential since May 2003. She has been a member of the Audit Committee since 2003 and became Chairman of the Audit Committee in May 2006. Kathleen is a non-executive director and Chairman of the Audit Committees of Great Portland Estates PLC and Trinity Minor plc, and a non-executive director of ARM Holdings plc. She is also Chairman of the Invensys Pension Scheme. Previously, she was a non-executive director and Chairman of the Audit Committees of the EMI Group plc and the Court of the Bank of England, and a non-executive director of O<sub>2</sub> plc. Prior to that, Kathleen was Chief Financial Officer of BTR and Invensys, and before that she was a partner at Ernst & Young.

### **James Ross**

#### **Senior independent non-executive director and member of the Remuneration and Nomination Committees**

James Ross has been an independent non-executive director since May 2004 and the Senior Independent Director since May 2006. He holds non-executive directorships with McGraw Hill in the United States and Schneider Electric in France. He is also Chairman of the Leadership Foundation for Higher Education and of the Liverpool School of Tropical Medicine. James was previously a non-executive director of Datacard Inc in the United States, and prior to that Chairman of National Grid plc and Littlewoods plc. He was also Chief Executive of Cable and Wireless plc and Chairman and Chief Executive of BP America Inc., and a Managing Director of the British Petroleum Company plc.

### **Lord Turnbull KCB CVO**

#### **Independent non-executive director and member of the Audit Committee**

Lord Turnbull has been an independent non-executive director of Prudential since May 2006, and a member of the Audit Committee since January 2007. He entered the House of Lords as a Life Peer in 2005. In 2002, he became Secretary of the Cabinet and Head of the Home Civil Service until he retired in 2005. Prior to that, he held a number of positions in the civil service, including Permanent Secretary at HM Treasury; Permanent Secretary at the Department of the Environment (later Environment, Transport and the Regions); Private Secretary (Economics) to the Prime Minister; and Principal Private Secretary to Margaret Thatcher and then John Major. He joined HM Treasury in 1970. Lord Turnbull is a non-executive director of Frontier Economics Ltd and The British Land Company PLC, and was formerly a non-executive director of the Arup Group. He also works part-time as a Senior Adviser to the London partners of Booz Allen Hamilton (UK).

### **Sir Winfried Bischoff**

#### **Independent non-executive director**

Sir Winfried Bischoff has been an independent non-executive director of Prudential since 2 August 2007. Sir Win has been Chairman of Citi Europe and a Member of The Management, Operating and Business Heads Committees of Citigroup Inc since May 2000. He was Acting Chief Executive Officer of Citigroup Inc from 5 November 2007 to 11 December 2007, when he was appointed Chairman of Citigroup Inc. In addition, Sir Win is Chairman of the European Advisory Board of Citigroup Inc., and has been a non-executive director of The McGraw-Hill Companies, New York, and of Eli Lilly and Company, Indianapolis since June 2000. Prior to that, Sir Win joined the Company Finance Division of J. Henry Schroder & Co. Limited, London, in 1966 and in 1971, he was appointed as Managing Director of Schroders Asia Limited, Hong Kong. He returned to London in January 1983, and was appointed Chairman of J. Henry Schroder & Co. in October 1983. Sir Win was appointed Group Chief Executive of Schroders plc in December 1984 and as Chairman of Schroders plc in May 1995, until the acquisition of Schroders, an investment banking business, by Citigroup Inc. in May 2000. In addition, Sir Win was a non-executive director of Cable and Wireless plc from 1991 and Deputy Chairman from 1995 to 2003. His other non-executive directorships included: IFIL Finanziaria di Partecipazioni SpA, Italy (1999-2004), Siemens Holdings Plc (2001-2003), Land Securities (1999-2008) and Akbank T.A.S. (2007-2008).

### **Ann Godbehere FCGA**

#### **Independent non-executive director and member of the Audit Committee**

Ann Godbehere has been an independent non-executive director of Prudential since 2 August 2007, and has been a member of the Audit Committee since 1 October 2007. She began her career in 1976 with Sun Life of Canada, joining Mercantile & General Reinsurance Group in 1981, where she held a number of management roles rising to Senior Vice President and Controller for life and health and property/casualty businesses in North America in 1995. In 1996 Swiss Re acquired Mercantile & General Reinsurance Group, and Ann became Chief Financial Officer of Swiss Re Life & Health, North America. In 1997 she was made Chief Executive Officer of Swiss Re Life & Health, Canada. She moved to London as Chief Financial Officer of Swiss Re Life & Health Division in 1998 and joined the Property & Casualty Business Group, based out of Zurich, as Chief Financial Officer on its establishment in 2001. In 2003 she was appointed Chief Financial Officer of the Swiss Re Group. Ann is also a non-executive director of Ariel Holdings Limited, Atrium Underwriting plc and Atrium Underwriting Limited, and Chief Financial Officer of Northern Rock.

### **Tidjane Thiam**

#### **Chief Financial Officer**

Tidjane Thiam has been appointed as an executive director of Prudential and Chief Financial Officer with effect from 25 March 2008. He was previously Chief Executive Officer, Europe at Aviva, where he also held successively the positions of Group Strategy and Development Director and Managing Director, Aviva International. Prior to that, Tidjane was a partner with McKinsey & Company in France and one of the leaders of their Financial Institutions practice, focusing on insurance companies and banks. Earlier in his career, he spent a number of years in Africa where he was Chief Executive and then Chairman of the National Bureau for Technical Studies and Development in Cote d'Ivoire and a cabinet member as Minister of Planning and Development. He is a non-executive director of Arkema in France, a member of the Council of the Overseas Development Institute (ODI) in London and a sponsor of Opportunity International, a charity focusing on microfinance in developing countries.

# Appendix 2

## Letter from the Chairman of the Remuneration Committee

Dear Shareholder

I am writing to set out the Company's proposals on remuneration for Michael McLintock, the Chief Executive of M&G. These proposals include the introduction of a new cash-based incentive plan, the M&G Executive Long-Term Incentive Plan, for which shareholder approval is being sought. This plan replaces the existing M&G long-term plan for Michael McLintock.

Over the last year we have consulted the Company's largest shareholders and their representative bodies on the remuneration arrangements for Michael McLintock and the detailed terms of our proposals. We are grateful for these discussions with shareholders and their observations during the consultation process and the proposals set out below reflect many of the comments made.

The proposals have the full support of the Remuneration Committee.

### Background

In 2006 after reviewing the remuneration arrangements for the executive directors, excluding Michael McLintock, we introduced two new long-term incentive plans, which shareholders approved at the Annual General Meeting. In 2006 and 2007, awards were made under the new Group Performance Share Plan to all executive directors including Michael McLintock. Awards were also made under the new regional long-term plans to executive directors who have regional responsibilities.

In late 2006 and early 2007 a comprehensive review of Michael McLintock's remuneration against the market was undertaken by PricewaterhouseCoopers LLP and Deloitte and Touche LLP.

As a result of the findings of the review and in recognition of M&G's outstanding performance in 2006, we consulted with shareholders on Michael McLintock's remuneration and gained support for making a higher than usual award in 2007 under the share element of his current long-term incentive plan, with a face value of £1,333,000 and expected value of £1,999,500.

### 2008 proposals

During 2007 we developed proposals for Michael McLintock's remuneration arrangements for 2008 and beyond. These proposals include a new long-term incentive plan for Michael McLintock and other senior M&G employees. The proposed arrangements will align reward more closely with the creation of sustained value for shareholders and allow the company to deliver market competitive remuneration for superior levels of performance.

This letter provides you with details of the proposals. Shareholder approval is being sought at the 2008 Annual General Meeting.

### Key conclusions of the review

The key conclusions of the review of Michael McLintock's remuneration structure are as follows:

- the scale and nature of Michael McLintock's exposure to Group performance through his incentive arrangements continues to be appropriate, taking into account the balance of the executive's responsibilities and practice in the asset management sector;
- there is currently insufficient scope for the Remuneration Committee to recognise and reward superior performance, resulting in a competitive gap when performance above upper quartile is achieved; and
- profits and fund investment returns continue to be the most appropriate metrics by which to measure the sustained performance of M&G and these measures are incorporated in the proposed new long-term incentive plan.

The main features of the proposed new M&G long-term incentive plan are set out in the section on long-term incentive arrangements below. The plan has been developed in the context of the proposed remuneration policy as it applies to Michael McLintock, which is also set out below. His remuneration consists of basic salary, an annual bonus, long-term incentives, benefits and pension.

### Total remuneration policy

We would not expect Michael McLintock's total remuneration (basic salary, bonus awarded, expected value of any LTIP awarded, and all benefits) in any one year to exceed three per cent of M&G's IFRS profits, as currently defined for accounting purposes. The proposed policy on remuneration described below is subject to this limit. Should the Remuneration Committee ever wish to exceed this percentage it will consult with the Company's largest shareholders prior to making any awards and will disclose in the Directors' Remuneration Report the reasons why, in its opinion, the three per cent cap should be exceeded.

### Basic salary

In line with previous practice, the policy is to review the basic salary annually with respect to the relevant asset management market. No change to salary is proposed for 2008.

### Annual bonus

Awards will be made based on M&G's performance both in absolute terms and relative to its peers, with bonus amounts determined by an assessment of market competitive rewards for target and superior performance. In line with practice in the asset management sector there will be no specified maximum annual bonus award expressed as a percentage of salary going forward. For 2008, we would not anticipate bonus levels to differ significantly from awards under the current plan for comparable levels of performance.

For awards in 2008, including the bonus award for 2007 performance, 50 per cent of any bonus awarded over £500,000 will be deferred into Prudential plc shares and held for three years.

### Long-term incentive arrangements Group Performance Share Plan

As currently, Michael McLintock will continue to receive an award of 100 per cent of salary under the Group Performance Share Plan. The amount of the award which vests at the end of the three year performance period is subject to Prudential's Total Shareholder Return (TSR) against the TSR of an index made up of a group of Prudential's competitors, provided that the Remuneration Committee is satisfied that the Company's underlying performance justifies the level of award delivered. The vesting schedule is as follows:

Prudential's TSR relative to the index at the end of the performance period	Percentage of award that vests
Less than index return	0%
Index return	25%
Index return x 110%	75%
Index return x 120%	100%

Companies in the index for 2007 and 2008 are: Aegon, Allianz, Aviva, Axa, Friends Provident, Generali, ING, Legal & General, Manulife, Old Mutual and Standard Life.

All the executive directors receive awards under this plan.

### Proposed new M&G long-term incentive plan

Subject to shareholder approval, the M&G Executive Long-Term Incentive Plan (the M&G Executive LTIP) will be introduced following the Annual General Meeting. Under this plan, awards of phantom shares will be made. The amount of the payout under any award will be determined by reference to M&G's IFRS operating profits and fund investment performance, over a performance period of three financial years, with a notional starting share price of £1.00 per phantom share.

Each year, the number of phantom shares to be awarded will depend on the performance of M&G in the financial year prior to the award being made and an assessment of each participant's contribution, including Michael McLintock's. Thus the award to be made in 2008 will be related to the business performance in 2007. For median performance, the new plan has been calibrated to provide a similar level of reward to the current plan. In recognition of M&G's strong performance in 2007, it is proposed that an award will be made in 2008 to Michael McLintock of phantom shares with a face value of £1,141,176 and an expected value of £1,940,000. This award will be made subject to shareholder approval of the plan.

Awards will normally be paid out shortly after the announcement of results for year three. The amount of the payout is based on the sustained performance of M&G both in terms of appropriate levels of profitability and maintaining strong fund investment performance.

At the end of the three year holding period, the value of the phantom shares awarded is based on the IFRS profits achieved at the end of the three year period. The number of phantom shares subject to the award will be adjusted at the end of the performance period to take account of the performance of M&G both in terms of profitability and maintaining strong fund investment performance as follows:

### Profit growth

- Awards will be scaled back based on profit performance achieved if profits in the third year are less than the average of the profits in the prior year to and over the performance period.
- The scaling back will be on a straight line basis from zero per cent to 100 per cent of the award between zero profit and the achievement of profits equal to the average.
- No award will vest in the event of a loss or zero profit, irrespective of fund performance.
- No adjustment will be made if the profits at the end of the third year are at least equal to the average of the profits in the prior year to and over the performance period.

### Investment performance

- Where investment performance over the three year performance period is in the top two quartiles the number of phantom shares vesting will be enhanced. A sliding scale will apply up to 200 per cent of the annual award, which is awarded when top quartile performance is reached.
- Awards will be forfeited if investment performance is in the fourth quartile, irrespective of any profit growth.

### Adjustments

The Remuneration Committee of Prudential plc (the Committee) may make adjustments to the terms of awards if there are changes in accounting policy, there is a merger or demerger or disposal of all or part of the M&G business, if anybody obtains control of M&G or Prudential or following any other change in M&G's structure that has a material impact on the value of awards.

### Leaving employment

If a participant leaves the Group, the award will normally be forfeited unless he or she leaves because of death, disability or for reasons attributable to a change of control (as defined below) within 12 months of the change of control. In these circumstances, the award would be paid out immediately but would be pro-rated based on the number of days the participant was employed compared with the total number of days in the performance period. The amount of the payout would be determined as described above but based on operating profits for complete financial years only and fund investment performance at the end of the previous financial year.

If a participant leaves for other reasons, the Committee may, in its discretion, decide that the award will be carried forward or paid out early. The Committee will determine the amount of any early payout taking account of the performance of M&G and the method which is used for determining payouts for other good leavers.

#### **Change of control**

In the event of a change of control of the Company, the award will normally remain in place and the payout at the end of the normal three year performance period will be underpinned by the payout which would have been made if operating profits had been as projected by the most recently adopted M&G business plan prior to the change of control. The Committee may determine in its absolute discretion that the award vests taking into account performance and pro-rating for time as appropriate.

For these purposes, a change of control also includes a sale of the participant's employer outside the Prudential Group.

#### **General**

No benefits under the plan are pensionable and awards cannot be transferred except on death.

The M&G Executive LTIP may at any time be altered by the Committee in any respect. However, any alteration to the rules governing eligibility, limits on participation, the basis on which payouts are made and adjustments to awards which are to the advantage of participants must be approved in advance by shareholders in general meeting unless the alteration or addition is minor in nature and/or is made to benefit the administration of the M&G Executive LTIP, to comply with the provisions of any existing or proposed legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for participants or Group companies.

#### **Benefits and pension**

Michael McLintock's benefits and pension arrangements remain unchanged under the proposals.

Michael McLintock is eligible to receive medical insurance, provided with an annual cash allowance of £10,000 for a car and has the use of a car and driver and security arrangements. No benefits are pensionable. All Prudential executive directors are entitled to participate in certain M&G investment products on the same terms as available to other members of staff.

Michael McLintock participates in a contributory scheme that provides a target pension of two-thirds of Final Pensionable Earnings on retirement at age 60 for an employee with 30 years or more potential service, for which his contribution is four per cent of basic salary per annum. Final Pensionable Earnings are capped by a notional scheme earnings cap, currently £112,800, which replicates the HMRC earnings cap in force before A-Day (6 April 2006).

Michael McLintock is entitled to a supplement of 30 per cent of the portion of his basic salary in excess of the notional earnings cap and not covered for pension benefits under an HMRC approved scheme. This supplement is paid directly into a Self Invested Personal Pension for him. He is provided with life assurance cover of four times basic salary.

#### **Shareholding guidelines**

The Remuneration Committee is keen to encourage executive directors to build up significant shareholdings in the Company in order to provide further alignment with shareholders' interests.

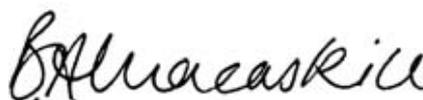
The shareholding guideline for Michael McLintock is unchanged at twice his basic salary. Shares earned and deferred under the annual incentive plans are included in the guideline. Michael McLintock currently has a beneficial interest in 355,732 Prudential plc shares.

#### **Conclusion**

The Committee believes that the proposals outlined above provide a remuneration framework for Michael McLintock which will support the strategy and success of Prudential and is appropriate to the asset management market.

We recommend approval of the new remuneration policy and the establishment of the new M&G Executive Long-Term Incentive Plan at the Annual General Meeting of the Company on 15 May 2008.

Yours sincerely



**Bridget Macaskill**

Chairman of the Remuneration Committee  
Prudential plc

## Principal provisions of the M&G Executive Long-Term Incentive Plan

Form of award	Awards are in the form of rights to cash payments.
Participation	Awards may be made to senior employees of M&G including the Chief Executive.
Performance period	Three years.
Re-testing	None.
Cessation of employment	<p>The awards normally lapse. However, the Committee may in its discretion allow for proportionate release in the event of death or disability, or for any other reason at the Committee's discretion.</p> <p>In the normal circumstances, awards will be dependent on performance and pro-rated based on the number of days worked in the three year performance period.</p>
Change of control	<p>Awards may roll over or be released dependent on performance and time pro-rated.</p> <p>If a participant leaves within twelve months of a change of control for reasons attributable to the change of control, the Committee may in consultation with an independent advisor determine that the award vests immediately dependent on performance and time pro-rated.</p> <p>Change of control includes the company or business for which the participant works being sold out of the Group.</p>
Performance conditions	Awards are based on the growth in M&G profits and fund investment performance.

# Appendix 3

## Explanatory notes of principal changes to the Company's Articles of Association

It is proposed in resolution 17 to adopt new Articles of Association in order to update the Company's current Articles of Association (the Current Articles) primarily to take account of changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the new Articles are summarised in this Appendix 3. Other changes, which are of a minor, technical or clarifying nature and also some more minor changes which merely reflect changes made by the Companies Act 2006 have not been noted in this Appendix 3. The changes proposed in resolution 18 are summarised in point 11 of this Appendix 3.

The proposed Articles of Association of the Company marked to show all the changes that will be made to the Current Articles in the event that resolutions 17 and 18 are passed (the New Articles) are available for inspection, as noted on page 8 of this document, and are available on the Company's website <http://www.prudential.co.uk/prudential-plc/investors/agminfo/2008/>.

### 1 Articles which duplicate statutory provisions

Certain provisions in the Current Articles replicate provisions contained in the Companies Act 2006. In the main these provisions are not included in the New Articles. This is in line with the approach advocated by the Government that statutory provisions need not be duplicated in a company's constitution. Examples of such provisions include provisions as to the appointment of corporate representatives, the requirement to send annual accounts to members, the requirement to keep minutes of meetings and provisions regarding the period of notice required to convene general meetings.

### 2 Form of resolution

The Current Articles provide for both special and extraordinary resolutions. References to extraordinary resolutions are not included in the New Articles as the concept of extraordinary resolutions has not been retained under the Companies Act 2006.

Certain provisions of the Current Articles enable members to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. References to members' written resolutions are not, therefore, included in the New Articles.

### 3 Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are not included in the New Articles because the relevant matters are provided for in the Companies Act 2006. The most significant consequence of this deletion will be that, by virtue of the Companies Act 2006,

a general meeting to consider a special resolution can be convened on 14 days' notice whereas under the previous Companies Act 21 days' notice was required.

### 4 Votes of members

Under the Companies Act 2006 proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The time limits for the appointment or termination of a proxy appointment have been altered by the Companies Act 2006 so that the articles cannot provide that they should be received more than 48 hours before the meeting or in the case of a poll taken more than 48 hours after the meeting, more than 24 hours before the time for the taking of a poll, with weekends and bank holidays being permitted to be excluded for this purpose. The New Articles give the directors discretion, when calculating the time limits, to exclude weekends and bank holidays. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. The New Articles reflect all of these new provisions.

### 5 Sending of annual accounts

The provision in the Current Articles requiring the board to send accounting records to members annually has been removed as this requirement is contained in the Companies Act 2006.

### 6 Conflicts of interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under the Companies Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where a company's Articles of Association contain a provision to this effect. The Companies Act 2006 also allows the Articles of Association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles give the directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. First, only directors who have no interest in the matter being considered will be able to take the relevant decision, and secondly, in taking the decision the directors must act in a way they consider,

in good faith, will be most likely to promote the company's success. The directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at board meetings and availability of board papers to protect a director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

### **7 Funding directors' expenditure**

The Companies Act 2006 has in some areas widened the scope of the powers of a company to fund expenditure incurred in connection with certain actions against directors. In particular, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies. The New Articles reflect these changes.

### **8 Retirement by rotation**

The Current Articles relating to retirement by rotation have been combined and redrafted. The concept of one third of the directors retiring from office at each annual general meeting has been removed because it is no longer appropriate in view of the Combined Code requirement for directors to offer themselves for re-election every three years. It is a principle of the Combined Code that all directors should be required to submit themselves for re-election at regular intervals and at least every three years (A.7 and A.7.1-A.7.2). The New Articles reflect the Combined Code guidance.

### **9 Reasons for refusal to register transfer**

The Companies Act 2006 requires the reason for a refusal by the board of directors to register a transfer of shares on the register of members to be given. The Current Articles allow the board to refuse to register any transfer of shares 'in its absolute discretion, without any reason being given' which is no longer appropriate. The New Articles reflect the requirement of the Companies Act 2006.

### **10 General**

Generally the opportunity has been taken to bring clearer language into the New Articles and in some areas to conform the language of the New Articles with that used in the model articles for public companies produced by the Department for Business, Enterprise and Regulatory Reform.

### **11 Directors' qualification shares**

The Current Articles require directors to acquire a shareholding in the Company within two months of their appointment. Shareholders resolved in May 1988 that the appropriate number of shares to be acquired by directors be 2,500. After a period of 20 years, it is now appropriate to review this requirement. Whilst we continue to believe that it is important for directors to align their interests with those of shareholders, an acquisition of 2,500 shares is a substantial immediate cash outlay for a new director. We therefore feel that it is more appropriate for directors to be given the opportunity, should they so wish, to acquire this shareholding over a period of one year rather than within the current requirement of two months.



Prudential public limited company  
Incorporated and registered in England and Wales

Registered office:  
Laurence Pountney Hill  
London EC4R 0HH

Registered number: 1397169

Prudential plc is a holding company, some of whose  
subsidiaries are authorised and regulated by the  
Financial Services Authority (FSA)

[www.prudential.co.uk](http://www.prudential.co.uk)